

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE CLERK

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS MEEHAN TO INTERROGATORIES OF
ADVO, INC.
(ADVO/USPS-T11-1-3)

The United States Postal Service hereby provides the responses of witness Meehan to the following interrogatories of Advo, Inc.: ADVO/USPS-T11-1-3, filed on February 28, 2000.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

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March 13, 2000

**Response of United States Postal Service Witness Meehan
to
Interrogatories of ADVO**

ADVO/USPS-T11-1. On your Workpaper B-7, please confirm that the following figures were not updated for Base Year 1998 but instead reflect Base Year 1996 results for City Carrier Letter Routes:

- (a) The Curblin and Foot Access Test (CAT/FAT) split factors.
- (b) The Possible Stops and Possible Deliveries (PPS/PPD) coverage variabilities.
- (c) The Stops Variability with Respect to Delivery Activities.
- (d) The Deviation Deliveries Variability with Respect to Pieces.
- (e) The Route Loops/Dismounts Variability with Respect to Volume.

Response:

- a) Confirmed. However, the correct CAT/FAT split factors, updated by witness Baron in Docket R97-1, USPS-LR-H-141, were mistakenly omitted from Workpaper B-7. If the correct split factors were applied to Base Year 1998 city carrier costs, total Base Year 1998 volume variable costs would increase by \$2.6 million.
- b) Confirmed, if by PPS/PPD you mean the Variabilities of Stops with Respect to Volume, and the Variabilities of Deliveries with Respect to Volume.
- c) Confirmed, if you mean the Delivery Stop Time variabilities that appear on W/S 7.0.5, lines 12-14.
- d) Confirmed.

**Response of United States Postal Service Witness Meehan
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e) Confirmed.

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ADVO/USPS-T11-2. Please confirm the following Possible Stops coverages for Base Year 1996 and Base Year 1998. If you cannot, please provide the correct figures.

	<u>Base Year 1996</u>	<u>Base Year 1998</u>
Single Delivery Residential Stops	92.16%	92.94%
Multiple Delivery Residential Stops	96.09%	97.36%
Business And Mixed Stops	90.42%	89.92%

Response:

If by Possible Stops coverages you mean the ratio of actual to possible stops,
then your figures are confirmed.

**Response of United States Postal Service Witness Meehan
to
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ADVO/USPS-T11-3. With respect to your Workpaper B-10, please explain the difference in accrued cost on WS 10.0.1 (\$3,678,215) and total pay data on WS 10.0.2 (\$2,480,986).

Response:

The difference is due to the fact that the pay data file (AAW335P1), used to develop split factors, is not total accrued costs. The pay data file does not include benefits (life insurance, retirement, TSP, social security, etc.) paid by the Postal Service. The pay data in WS 10.0.2 are consistent with the accrued salary costs, while the accrued costs in WS 10.0.1 are consistent with the total cost of salaries and benefits.

DECLARATION

**I, Karen Meehan, declare under penalty of perjury that the foregoing
answers are true and correct, to the best of my knowledge, information, and belief.**

Karen B Meehan

3/13/00

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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